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25 October 1983

# Latin America Report

No. 2756

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## PETROBRAS PRESIDENT, ENERGY TECHNICIANS DISPUTE OIL SUPPLY

## Ueki Foresees Adequate Stock

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Sep 83 p 23

Text During a deposition at the Transportation Commission of Congress which lasted 5 hours, Petrobras President Shigeaki Ueki yesterday guaranteed that the present stock of oil derivatives will supply the nation for 85 days. He added that rationing of gasoline would be the last alternative, one that would only occur if World War III erupted, and said that the country is not depending on the multinational oil corporations to supply the market and fulfill the export goals of derivatives. Nevertheless, he announced that he will reinitiate negotiations with the multinational corporations in an effort to buy oil from them with their financing.

The president of Petrobras admitted that there will be future difficulties in the national supply of gasoline if Brazil declares a unilateral moratorium on its foreign debt. He added that rationing is not a good policy, and feels that even though it is the 18th highest priced in the world, gasoline is still cheap.

To support his claims that the subsidy of oil does not run a risk and that the difficulties with the financing to buy oil are not that serious, Ueki said that what Petrobras is to receive, including its stock of derivatives, is greater than its present debts of US\$4 billion relating to the purchase of oil and equipment overseas. The value of the derivatives to be exported this year, according to Ueki, will reach US\$1.6 billion, which represents an increase of over 200 percent when compared to the exports in 1980.

Ueki said that the present stock of oil derivatives is 60 million barrels, "an adequate level, since it corresponds to the minimum cost of maintaining the stock, without substantially affecting the supply." He guaranteed that the importation contracts guarantee the subsidy until the end of the year, and reported that importations that need to be made during the first quarter of 1984 will be negotiated starting next month.

Ueki said that the expectations of the importation negotiations for 1984 are high, even though they will require a larger number of trips overseas by the directors of Petrobras to give detailed explanations regarding the economic situation of the country. These trips "will function as press releases, detailing all financial difficulties."

As far as national production is concerned, Ueki guaranteed that the daily average will be 341,000 barrels this year, reaching a peak of 400,000 b/d by the end of December. By the end of 1984, production should reach a peak of 500,000 b/d with an average for the year of 420,000 b/d.

Ueki defended himself in the commission from accusations made by representatives Tidei de Lima of the Brazilian Democratic Movement Party-Sao Paulo (PMDB-SP) and Paulo Mincarone, of the Brazilian Democratic Movement Party-Rio Grande do Sul (PMDB-RS), stating that he supported the enrichment of some groups benefitting from the sale of Petrobras stock when they were low, followed by an immediate overvaluation of the stock after the sale. This was said to benefit many people, including Golbery do Couto e Silva, the son of the ex-minister Head of the Civil Cabinet of the President of the Republic. Ueki said the speculation in the company's stock was made by the stock applicants themselves.

#### Technicians Question Ueki's Figures

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Sep 83 p 46

/Text/ Technicians from the Ministry of Mines and Energy yesterday answered the claims made by Petrobras President Shigeaki Ueki last Thursday at the Transportation Commission of Congress, where he said the average daily production of national oil will reach 341,000 barrels. The technicians explained that in order to reach that average, it would be necessary for the wells to have been producing 383,300 b/d as of yesterday. Since production 350,000 b/d, they feel that the average for the year will be around 335,000 b/d, including wells that are expected to go into operation by December.

The technicians said that to attain a daily average of 335,000 barrels, 25,000 fewer than the goal established by the Minister of Mines and Energy, daily production would have to be 362,600 b/d as of yesterday. They admitted, vaguely, that the goal of 341,000 b/d for 1983 announced by Petrobras President Shigeaki Ueki would only be possible if Ueki is keeping the startup dates of the new oil wells a secret.

The daily production average for 1983 is presently 332,000 b/d, which is 65,000 b/d more than last year. The technicians did not answer the statement made by Ueki stating that the production peak for the end of the year would reach 400,000 b/d. They did find it odd, however, that Ueki said the daily average for 1984 would be 420,000 b/d after he announced that the peak production for 1984 would be 500,000 b/d. "If the daily production at the beginning of the year is 400,000 b/d, and production near the end of the year will be 500,000 b/d, Petrobras is going to have to hold the tap to achieve a low average of only 420,000 b/d," said the technicians.

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## PETROBRAS OFFICIALS AIR DISAGREEMENT ABOUT OIL SUPPLY

## Official Warns of Credit Problems

Sao Paulo 0 ESTADO DE SAO PAULO in Portuguese 23 Sep 83 p 24

/Text/ Carlos Sant'Anna, marketing director of Petrobras, yesterday said that Mexico has "nothing to complain about to Brazil" relating to the lack of payment on oil purchases which were revealed by the press yesterday. According to Sant'Anna, there is no basis for the reports that Mexico is refusing to increase the amount sold to Brazil from 60,000 b/d to 80,000 b/d "because that was an agreement between the two presidents of the countries," Joao Figueiredo and Miguel de la Madrid, made during the former's visit.

Carlos Sant'Anna added that "in fact, Mexico owes Petrobras close to US\$2 million, and we are not too worried about the 20,000 b/d, because we have other places to buy it." Stressing that Petrobras is a traditional buyer of Mexican oil, "even the low grade oil," Sant'Anna also denied that Brazil could be jeopardized by the fact that Mexico is selling oil to other markets, such as South Korea and Japan.

He also reported that Petrobras considers negotiations with the multinationals for the purchase of oil closed. According to him, Texaco and Chevron renewed their existing supply contracts of 30,000 and 40,000 b/d respectively, with an average term of 120 days. He stressed the support given by Shell close to a month ago "when the stocks plunged to a dangerous level due to the detaining of a tanker with 220 tons of oil in the Persian Gulf, due to credit problems." "Shell rerouted one of its shipments to aid Brazil," said Sant'Anna. He also pointed out that, at the time, the negotiations with the multinationals were not successful because they did not offer any incentives, lacking even prices and market terms.

He admitted that as far "as the purchases of oil for next year are concerned, they are an illusion," and the new contracts, which are renewed automatically in the case of traditional suppliers, will be initiated next October. The director of Petrobras said "our suppliers, such as the Arab countries, China and the Soviet Union, among others, are willing to maintain their supplies." According to him, existing stocks within Brazilian territory allow for 35-40 days of consumption, and added to stocks in transit, they will allow for 85 days of consumption, which today is about 950,000 b/d.

## Official Worries About Oil Supply

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Sep 83 p 24

Text The marketing director of Petrobras, Carlos Sant'Anna, after hearing that the president of the company had denied his previous statements which had stated that the oil stocks had reached "dangerous levels," said yesterday that he considered the controversy a "problem of semantics" and a result of the president's concern over the "headlines of the newspapers, that gave the false impression that the country is in no condition to pay its suppliers."

Sant'Anna confirmed that he had to ask Shell for a shipment of oil, but added that "if it hadn't been Shell, it could have been any other company, because we had several offers. But if the oil had not come, it would have been more serious than a very strong concern, for our stocks could have readied reach an intolerably low level."

He also confirmed that the request made to Shell was made at the same time as a retention of two simultaneous normal shipments of oil bound for Petrobras, which had previously been retained because of price problems.

## Ueki Denies Problems

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Sep 83 p 24

Text Shigeaki Ueki, president of Petrobras, yesterday denied statements made at a press conference by his marketing director, Carlos Sant'Anna that Brazilian oil stocks had reached "dangerous levels." In spite of the denial, Ueki did admit, as Sant'Anna had said, that close to a month ago, Petrobras was forced to request an extra shipment of oil from Shell, which rerouted one of its ships bound for the Northern Hemisphere for that purpose. "I deny reports that the stocks are low, and I guarantee that the supply of oil and its derivatives for the country is guaranteed," said Ueki. "We did in fact buy oil from Shell, but I would like to stress that during the same period we sold three shipments of condensed oil to Japan, which proves our lack of concern where the stocks are concerned. If they had been so low as to threaten the internal consumption we would not have exported any," said Ueki.

"You gentlemen (of the press) are speaking too much with DEPIN (Department of Industrial Production of Petrobras) personnel," said Ueki. "They are refinery men, who like to see their tanks full. They cannot evaluate the overall situation of the oil stocks based on the fact that the refinery is receiving a little less raw-material," he added.

The president of Petrobras added that the crisis is not oil, but rather one of financing, and no oil company in the world is going to increase its stock because of the high interest that must be paid to finance it. "On the contrary, they are reducing their stocks, just like Petrobras," he said. According to Ueki, the interest the company must pay for the present stocks is US\$1 million per day. These stocks, along with the volume in transit and that on hand and the oil derivatives, is enough for 85-90 days, which "is perfectly compatible with the level needed for the country." According to Ueki, oil continues to

to be the highest priority of the Central Bank in terms of foreign purchases. "And the payment is insured," he said.

As far as the situation of Petrobras in the third letter of intention sent by the Brazilian Government to the International Monetary Fund, Ueki confirmed that the company suggested the Secretary of Planning (SEPLAN) calculate its investments at a rate of 135 percent inflation and not less than 100 percent which the company had initially proposed. "I'm not going to dismiss anyone," he added.

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## PETROLEUM DERIVATIVES USE DOWN 5.9 PERCENT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Sep 83 p 22

/Text/ The national consumption of petroleum derivatives fell 5.9 percent between January and August of this year as compared with the same period last year. Consumption for the first 8 months of this year was 953,200 b/d as compared to 1,012,600 b/d last year. On the other hand, the national consumption of alcohol rose 52.2 percent during the same period, with the average going from 58,400 b/d to 88,900 b/d. The increase in the consumption of hydrated alcohol was 85.9 percent, and the increase in anidro alcohol, which is mixed with gasoline, was 24.8 percent. During the same period, the national production of oil increased 24.2 percent, with the average jumping from 259,700 b/d in 1982 to 322,500 b/d this year.

This information was released yesterday by the Ministry of Mines and Energy through statistics showing the national consumption of fuels. These statistics showed that during the period of January to August, the consumption of gasoline fell 15.1 percent, of combustible oil fell 19.1 percent, of diesel fuel fell 0.8 percent and of asphalts fell 31.1 percent. During that period, the only fuels to show an increase in usage were liquefied petroleum gas, which increased 8.4 percent, and naphtalenes and petrochemical gases, which rose 30.9 percent. These two products are the ones that receive the most subsidy from the consumers of oil derivatives, such as gasoline and diesel fuel. As far as the reduction of consumption of oil derivatives and the increase in the use of alcohol, as well as the substitutions of oil for electrical energy and natural gas, the need for imported oil fell 16.2 percent during the first 8 months of the year when compared to the same period last year. The daily average of imported oil was reduced from 752,900 to 630,700 barrels.

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## BRIEFS

TIERRA BLANCA'S FUTURE--According to explanations from Elf Aquitaine engineers who accompanied a group of journalists invited to get acquainted with the area of its operations, the benefits which petroleum exploration and exploitation have left to the people of Alta Verapaz and El Peten in the company's operations area is seen, at first glance, as only an exhausted well like Tierra Blanca, but a well can be reactivated so that its production returns to normal. An official of the defunct Minerals and Hydrocarbons Bureau said that it is not certain that the well "Tierra Blanca" is exhausted. According to explanations furnished by Elf, a recently discovered well starts with a high yield and little by little the yield decreases sometimes to zero which is when it is "exhausted." However, that does not mean that there is no remedy to again restore it and return it to its normal yield. On the tour, there was explained a series of what one might call "remedies" to revive a well and thus we see that a tower was being placed in a spot to pump water and that the oil will flow with greater force. Elf will use 50,000 quetzals in the construction of a center for technical training for the petroleum industry which will operate in Rubelsanto and will eventually build a regional center. The arrival of French instructors who will bring knowledge and technology to the Guatemalans is expected. There is also a scholarship plan which will soon be in force to finance university studies in disciplines related to job requirements. Meanwhile, the workers enjoy other benefits and the company is investing 300,000 quetzals in personal development. [Excerpts] [Guatemala City EL IMPARCIAL in Spanish 10 Sep 83 pp 1,10]

NATIONAL OIL PRODUCTION--According to statements made yesterday to the press, executives of companies who have drilled and now exploit this energy source, all the national oil fields are producing 10 million barrels of crude daily. They said that petroleum is processed by extracting from it poisonous gases in a complete cleanser which Elf Aquitaine constructed in Rubensaldo. They also said that Chinaja is the best field found so far, since its production is about 3,000 barrels daily, free of water; Rubelsanto, which reaches 1,000 barrels; Caribe 1, with 1,000 and Tierra Blanca with a production of 2,000 barrels. The Aquitaine executives said that they are awaiting the new petroleum law, to see whether or not it is appropriate to continue exploration. "It is our wish"--they emphasized--"that the law will facilitate, that it will turn out not to be too strict, because otherwise, there would be no incentive to continue investing in this difficult activity." The engineers said that up to now they have found only thin layers of crude petroleum, in other areas, probably--they explained--

because there could be many geological faults. [Text] [Guatemala City PRENSA LIBRE in Spanish 8 Sep 83 p 2] 9678

TIERRA BLANCA PRODUCTION--Engineer Alejandro Contreras Bonilla, secretary of Energy and Mines, said that the oil well, "Tierra Blanca," in El Peten jurisdiction, has increased its daily production to 2,700 barrels of crude. That well is located 15 kilometers from the Mexican border. The official from Energy and Mines stated also that this well has overcome its problems and its production has been increasing little by little and at this time reaches 2,700 barrels daily and an increase is expected soon. [Text] [Guatemala City DIARIO DE CENTRO AMERICA in Spanish 2 Sep 83 p 6] 9678

OIL EXPORTS FOR 1983--The office of the secretary of Energy and Mines stated yesterday that so far this year, ten oil shipments from Honduras have been made to the United States market. They said that all shipments have been made by the French oil company Elf Aquitaine de Guatemala, S.A. They added that total crude oil exported came to 436,615 barrels valued at 133,223,577 quetzals.  
[Text] [Guatemala City PRENSA LIBRE in Spanish 6 Sep 83 p 9] 9678

CSO: 3248/1278

## POLL SHOWS LUDER AHEAD OF ALFONSIN BY NINE POINTS

Buenos Aires SOMOS in Spanish 30 Sep 83 pp 26-30

[Article by Tabare Areas]

[Text] In the fifth political poll of SOMOS, Italo Argentino Luder was nine points ahead of Raul Alfonsin, reversing the previous trend. The Peronist [Justicialist Party, PJ] candidate consolidated his position in the interior while in the large urban centers the score is more even. The undecided voters amount to 18 percent of the total. Alende is third with three percent of the votes.

It is an unquestionable reality in Argentinean politics that the polarization between the Peronists and the supporters of Alfonsin is not an invention of the journalists. Italo Argentino Luder and Raul Alfonsin received a total of 69 percent of the votes in this poll. On the other hand, Luder has a commanding lead for the first time in the opinion polls taken up to now, leaving Alfonsin behind. This result was strongly influenced by the votes cast in the interior of the nation where Luder received 42 percent of the votes while in the area of the capital and Greater Buenos Aires his total figure is less than 34 percent. Alfonsin received an overall average of 30 percent of the votes, staying at the same level he achieved in previous polls as well as gaining all the votes which Fernando de la Rua received before the Alfonsin-Martinez slate was launched. Third place is now held by the undecided voters in the 30 October elections. Trailing well behind in fourth place--third in the order of the candidates--is the intransigent Oscar Alende.

Since the beginning of 1983, SOMOS and A and C have been working systematically on the evolution of the Argentines' electoral preferences as the time draws near for the culmination on 30 October. This fifth poll has certain characteristics which differentiate it from the previous ones. Basically, they are the following:

This was the first time that the poll was made with the complete definite list of candidates for the presidency of the country. Therefore, instead of approximations by way of preferences by party and/or various alternative candidates of a single party, the voters had a definite candidate on whom to express an opinion.

The scope of the polls was considerably broadened: in the earlier polls they usually included three large cities of the interior, in addition to the Federal Capital and Greater Buenos Aires. This time, five cities were polled: Rosario, Sante Fe-Parana, Cordoba, Mendoza and Tucuman.

The margin of error remains very low considering the complexity of the subject under investigation (plus or minus three percent) so this has little effect on the projection of the results of the two main candidates who polarize the voters' attention.

The sampling represents about 58 percent of the citizens eligible to vote next 30 October.

The poll began immediately after the closing of the Justicialist Party [PJ] Congress which nominated Italo Argentino Luder as Peronist candidate and the poll ended on 14 September 1983.

In contrast to other preliminary polls, this one, which SOMOS assigned to A and C, is based on interviews which represent proportionately all segments of the voter register: by occupation, sex, age, level of education and area of residence.

A and C employs a system derived from the association it has with the U.S. firm Louis Harris and Associates, public opinion poll specialists.

#### The Numbers

The total sampling gave the following percentages: Luder, 39 percent; Alfonsin, 30 percent; undecided, 18 percent; Alende, 3 percent; Manrique, 2 percent, blank, 2 percent; no answer, 2 percent; Frigerio, 1 percent; Iscaro, 1 percent; Martinez Raymonda, 0.05 percent; Alsogaray, 0.05 percent; others, 1 percent.

The charts show the percentages only down to the figures on Alende since below that number the statistical margin or error increases considerably, which we endeavored to avoid.

Compared with previous polls, the gains made by Italo Luder over Raul Alfonsin are notable. They were consolidated from the moment his nomination for president by the JP was announced. On the other hand, his nomination caused the disappearance from the election scene of the many candidates who previously were running for nomination.

The undecided voters dropped 10 percent. This is another important political point in the present predictions: they dropped from the first place to the third place, switching places with Luder. Meanwhile, Alfonsin remains in second place and Alende is in forth place, far behind the first two. Further behind, and with really low percentages, are the nominees for the center-right: Manrique, Frigerio, Martinez Raymonda, Alsogaray and others. The candidate of the PC [Communist Party of Argentina] (a party which will cast its votes for the Peronists) had received one percent.

Concerning the degree of acceptance of the candidates in proportion to the level of education of the voters in the poll, there are important variations from the previous polls. For example, Luder doubled the percentages obtained by his party in the previous poll among the university group; he rose from 16 to 29 percent among the voters who completed their secondary education; he remains about the same among voters who did not complete secondary school and rose about 5 percent among the primary education group.

Alfonsin did not change much from the previous poll with respect to these various segments except for the primary education group in which he climbed from 17 to 23 percent. As to the undecided group, the sampling says it has dropped in all educational segments. Alende had an increase from 4 to 8 percent among those who had not completed secondary school but in the other segments his percentages remained the same.

In the analysis by occupation of the heads of family, Luder showed a striking increase in the segments of businessmen, merchants, professionals, employees and unskilled workers. In comparison to the preceding poll, Raul Alfonsin increased his percentages among businessmen and professionals. Among the undecided, the unskilled and skilled workers make up the highest percentages.

#### Sex and Age

Differentiating by sex and age, the comparative analysis of men and women voters indicates that the percentage of undecided is greater among women (22 percent against 15 percent). Luder's percentage rose to 42 percent of the men against 37 percent of the women. Surprisingly, Luder's overall total of 39 percent rises in women's sectors aged 35/44, 45/54, and 55/65 years. (In these segments the percentage among men also increases.)

Alfonsin received the highest percentage among women in the 24/36 years of age segment (36 percent)--this is the only segment in which he has a higher percentage than Luder. The radical leader received the highest percentage among men in the 55/65 years of age segment. The highest level among the undecided was among women in the 18 to 22 years of age group (33 percent). Among men, the lowest number of undecided are those in the 45/54 and 55/65 years of age groups. The poll as to the location of voters yielded indicative data which may be significant when the time comes for the Electoral College. The data reveals that the differences between Luder and Alfonsin are greater in the interior than in the capital and Greater Buenos Aires.

Luder increased his percentage in the interior to 42 percent; while Alfonsin received 29 percent. Here the difference between them is 13 points while in Greater Buenos Aires it is only 4 points. One must recall that under the electoral system that will function after 30 October, provinces with less population and economic development will send a very important number of presidential electors. And if it is true that Luder is broadening his support base in the more backward sectors, he will be running with a noteworthy advantage over the radical candidate in the marginal and agricultural areas in the interior. Alfonsin obtains similar percentages in Greater Buenos Aires and the interior while Luder's numbers are more disparate from one area to the other.

## The New Vote

Many of the media speculate on the impact of the election on the youths who come of age and go to the voting booths for the first time. Here also is a curious fact: Luder received 42 percent among voters who had voted in the past and 34 percent among those who will vote for the first time on 30 October. In contrast, Alfonsin received more votes from persons who had never voted in a presidential election (30 percent) than from those who had previously voted (29 percent).

The broad sector of undecided increases among those who have never voted (32 percent) in comparison with those who have previously voted (16 percent). The intransigent Oscar Alende has similar percentages: 3 and 4 percent, respectively.

As a result of the polarization between Luder and Alfonsin, the remaining candidates lost practically half of their voters in comparison with a few months ago. Alende, following the disappearance of many Justicialist candidates, became the third candidate in the order of those mentioned but with only a distant 3 percent. Contrary to what was expected to be the case after the definite nomination of candidates, the percentage of undecided voters continues at a very high level (18 percent) which is even higher in the women's sector of the voters (22 percent). In the previous poll, that percentage was about 28 percent. Therefore, in general terms, one may say that those 10 percent of the voters who were undecided a few months ago turned mostly toward the PJ which is the only party which increased the level of votes in such a large proportion.

We also have to consider the fact that those supporting Luder are mostly men in comparison with women (42 vs 37 percent) and it is in this segment of women where there continues to be a higher percentage of undecided voters: 22 percent of the women against only 15 percent of the men.

It is also noteworthy that the voting for Alfonsin is very similar in the group of urban centers sampled (the capital and six large cities in the interior) since he received an average, in these two major groupings, of about 30 percent of the votes. Moreover, there is confirmation of the trend indicated in the most recent studies of SOMOS to the effect that Luder receives most support among the worker sectors--51 percent of the unskilled workers and 41 percent of the skilled workers. Besides, for the first time in the polls made to date, he gained more votes than Alfonsin in the employees segment, while he has improved--although still in the minority--in the segment of businessmen, merchants and professionals.

This shows an advance of the PJ candidate in the middle sectors of the population (in regard to occupation) but consisting primarily of citizens with only a primary school education or without any education. It is important to stress that Luder surpasses his own average (39 percent) only in the electoral segments with primary education, where he received 47 percent of the votes.

During July and August, the progress of the election campaigns led to a decision on the part of 35 percent of the voters who had not decided up to the end of June. An important reason for this was the selection of the PJ slate, since Luder appears in the poll as capitalizing on many of the undecided voters.

The uncertainty which persists as to the final choice of the still undecided 18 percent of the voters will be cleared up and will be in proportion to the success of the campaign activities of the two parties, primarily in the sectors with a low level of education, especially of the female sex, which remain numerically the greatest among the undecided. In view of the polarization of the voters, that 13 percent may still decide the election in favor of one or the other candidate though it appears that the course of action the undecided voters will take will be guided by those around them, family and friends.

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CSO: 3348/9

## BIGGER HARVESTS EXPECTED IN PARANA, RIO GRANDE DO SUL

## Parana Production

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Sep 83 p 26

[Text] The soybean acreage in Parana should increase by 130,000 hectares, with a growth in production of almost a half-million tons, according to the latest estimates of the Department of Rural Economy of the Secretariat of Agriculture. The increase in soybean acreage was limited by the shortage of seeds, which in some regions in the state were going for as much as 35,000 cruzeiros per sack, much higher than expected in the cost calculations. Soybean production is forecast at 4.6 million to 4.8 million tons.

The high price for soybean seed caused many producers to continue to plant corn, which will not lose acreage, as had been expected. Corn acreage should stand at 3.27 million hectares, with an estimated production of 5.6 million to 6 million tons--the same estimate as last year, which was not achieved because of rains in the south and drought in the northeast. Beans and cotton should lose acreage: a reduction of 18 percent in the case of cotton and between 4 and 5 percent for beans. Of all the crops in Parana, sugar cane is expected to gain the most acreage next year (23 percent), reaching 130,000 hectares.

Parana should produce 5.5 million sacks of coffee, which is considered very good, particularly given the weather problems and the advanced age of the state's coffee plantations, which urgently need renovation. The state government itself is proposing a renovation plan, which will be carried out with the assistance of the municipal governments in the coffee region.

## Rio Grande do Sul

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Oct 83 p 20

[Text] Next year's bean, rice, corn and soybean crops in Rio Grande do Sul should be the largest in the history of the state's agricultural production. According to the JORNAL DA FEIRA, of the CODECON [expansion unknown], the estimate comes from technicians of the Organization of Cooperatives of Rio Grande do Sul. As the major incentives to the farmers, they point to the minimum price levels, the good weather conditions after the floods in the region and the higher price quotations on the domestic and foreign markets.

Cyro Dias da Costa, president of the organization, also notes the euphoria of the Gaucho producers and the drop in the North American harvest of grains and oleagenous crops, estimated at 100 million tons.

## GOLD PRODUCTION TOTALS 24 TONS FROM JANUARY THROUGH AUGUST

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Sep 83 p 31

[Text] Production from gold fields controlled by the DNPM (National Department of Mineral Production) was 5.342 tons last month, bringing total production from January through August to 24 tons, according to statistics released yesterday by the DNPM. Agency technicians reported that this production confirms the expectations of Cesar Cals, minister of mines and energy, that his estimate of an official gold production of 40 tons this year will be exceeded by 20 tons, bearing in mind that the gold mined in the first 6 months usually represents only 25 percent of annual production.

According to the technicians, production from the gold fields and mines this year should reach about 60 tons, only 8 tons of which should be produced by the mining companies. They explained that this official production figure represents only 50 percent of actual gold production, considering the theft and smuggling that occurs with half the production by the prospectors and the DNPM's inability to maintain stricter control.

The gold fields at Serra Pelada, which will be closed on 15 November when mechanized mining will be initiated by the Companhia Vale do Rio Doce, presented the greatest production this year, with 8.821 tons. In second and third place were the Tapejos and Cumaru fields, with 5.311 and 3.657 tons, respectively. The 49,000 gold miners who are registered at Serra Pelada should be transferred to these two fields, as proposed by Minister Cals.

The fourth largest gold production this year was recorded at the Madeira River, with 923,822 kilograms. This is the most difficult area for gold prospecting and the one with the largest incidence of fatalities among prospectors. The prospectors search for gold at the bottom of the river, without observing the strict safety standards; at Rio Madeira the death rate averages six per day.

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CSO: 3342/6

## FORMER CENTRAL BANK HEAD SEES YEAR END INFLATION AT 160 PERCENT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Sept 83 p 21

[Text] Carlos Brandao, former president of the Central Bank, declared yesterday that the government has lost control of inflation, which could jeopardize the goals of economic recovery established in the third letter of intent signed with the International Monetary Fund providing for a reduction in the rate of inflation to 5 percent [per month] by December.

He added that the failure to take stricter measures has meant that inflation has continued to rise, such that a rate of close to 12 percent is expected for September. (According to another source, inflation reached 12.4 percent and the Wholesale Price Index (IPA) reached 14 percent). "This year we are going to see inflation go higher than 160 percent, and even that would be commendable," Brandao stressed. He is currently president of the ANDIMA (National Association of Open Market Institutions).

In Brandao's opinion, the goals established in the letter of intent will not have any real credibility unless the government decides on immediate structural reforms in the nation's economy. Primary among these would be to make the Central Bank an "authentic instrument of monetary policy," freeing it from development activity, which allows it to issue money in the name of the National Treasury, compromising the monetary budget, which should also be eliminated.

"Then I could have faith in the goals pledged to the IMF, since in the letter of intent much more stress is placed on reducing the public debt than on controlling monetary expansion," said the ANDIMA president.

#### Correction

Despite his fears about the development of the inflationary process, Brandao felt it was proper to set a rate of 9.5 percent for the monetary correction in the month of October.

In his opinion, this rate would allow investors to continue to put their money in fixed income notes or in savings accounts.

"Despite the very high inflation, in any event, a monetary correction of 9.5 percent will motivate any investor, even if the inflation rate in October goes above this 9.5 percent."

Even so, he was fearful about the worsening economic crisis in Brazil, to the point of declaring that there is a very serious social problem, with unpredictable results, and that "anyone who is not worried about this would have to be crazy."

He added that the recent increases in the interest rate on "overnight" (short term) loans determined by the Bank of Brazil, which was listed yesterday at 14 percent per month, reflect the fixing of the monetary correction at 9.5 percent for October, since if the interest rate remained at low levels the trade in these loans on the open market would be jeopardized.

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CSO: 3342/6

## NAVY MINISTER DISCUSSES IMPACT OF ECONOMIC CRISIS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Sep 83 p 6

[Text] Brasilia--Today in Rio, during the launching ceremony for the training ship "Brasil," Navy Minister Maximiano da Fonseca will emphasize in his order of the day that the Brazilian Navy is also suffering the effects of the economic-financial situation which Brazil is experiencing.

"If we were not having financial problems and hence could begin construction of more corvettes, not only would the use of domestic material be substantially increased, since our industry has the capacity for it, but it would also help to absorb the currently idle capacity of our private shipyards," the minister observes.

He also notes that the current financial problems are preventing the Navy from initiating the program of reequipping the Navy to the desired extent. "Even to carry out the modest part of the program now underway," says Admiral Maximiano, "required not only great effort from everyone but also the support of the most excellent señor president of the republic. Not only understanding the importance to Brazil of what the Navy is realistically attempting, but clearly assessing the priorities in solving the great national problems, the president did not hesitate to approve this first and modest phase of our program." According to the minister, the training ship "Brasil" goes to sea with 89 percent of its material produced domestically; it even carries sophisticated equipment developed entirely in Brazil. According to Maximiano, the four corvettes, with over 50 percent domestic materials, "are proof of our domestic capacity to conceive, design and build the modern vessels essential to equip our Navy adequately."

6362

CSO: 3342/6

## CABINET SHAKEUP, POLITICAL SITUATION ANALYZED

## Jarpa's Mission

Santiago ERCILLA in Spanish 17 Aug 83 pp 8-9

Article by Carmen Gardewig

Text In only 1 week, Chile has become a different country.

The rapidity with which political events have taken place and their magnitude can be determined by the amount of space devoted to them in the communications media. One day's news reports are exceeded the following day.

It seems that quite some time has gone by since the new cabinet took its oath of office during a tense and solemn ceremony in the hall of honor of La Moneda. But it has been only a week since Sergio Onofre Jarpa became the most important civilian of the moment. And as such, with the tremendous responsibility of moving the political line forward without a backward step in what has been announced up to now, but at the same time building a protective framework which will ensure that the foundation consisting of the democratic principles will not be destroyed at the first opportunity. For that reason, the selection of his colleagues was vital for the new Minister of Interior.

He needed a new staff of distinguished figures who were willing to give a distinctive imprint to the management of the government, in accordance with the political program which Jarpa is prepared to implement. Figures who, at the same time, each in his own speciality, would give a feeling of confidence so as to assemble the greatest number of adherents to their proposals, a priority task in the government before the taking of definite positions.

If to this picture we add the fact that the presence of the armed forces in the new cabinet has taken on a symbolic character--as it was stated by General Matthei--as they have been reduced to one representative for each branch of the service, it is clear that there is a firm desire to turn in the direction of the civilian sector.

Jarpa and his team have done some things that seemed impossible, in spite of the enormous emotional burden entailed in taking office 24 hours before the sorry events of Thursday and Friday took place. (see separate report)

No one denies that Sergio Onofre Jarpa is a politician who also has traits which give full assurance to the armed forces: he is an anticomunist par excellence and a follower of the Portalian spirit. Two convictions enable him to advance his plan of action, which envisions really decisive steps.

What are these steps? The holding of a plebescite to approve constitutional reform resulting from the formulation of the political laws, including not ruling out the possibility of electing a congress before 1990. And, prior to this major step, the start-up of the political parties, voter registration and the qualifications tribunal.

#### Shared Responsibility

If after analysis of the respective laws the conclusion is reached that they should be put in force before 1989, Jarpa has stated categorically that this will be done. Therefore, the government's responsibility for the proper implementation of this political program is also combined with the great responsibility of the opposition.

It remains to be seen, when the invitation which the Council of State will extend to political figures of the opposition to participate in the preparation of these laws is firmed up, whether or not these political figures will accept.

And in large measure, the destiny of Chile depends upon this decision. Because, as Minister Jarpa told ERCILLA, the political laws have already been set in motion and will move forward with or without the cooperation of all those who are called upon to help.

Without a doubt, in opposition sectors there is not the same feeling today as a week ago when all the points of this democratic opening were made known. But at that time the tragic toll of dead and wounded of the 2 days of protest also was not known. Both events can only serve to call for reflection and a review of the dogmatic positions which have been maintained up to now.

In his second reference to our country in less than 2 days, Pope John Paul II said in Castelgandolfo: "I will pray for a return to the path of fraternity and wisdom," while in Santiago, Monsignor Fresno reminded all of us: "Rulers and ruled, civilians and military men, let us lay down our arms of anger and uncontrolled force; let us root out hatred from our hearts and pause long enough to think."

This last sentence is the central nucleus of what must be urgently done. The government has to think that the steps it has undertaken require quick implementation and a frank open-door policy to listen to and evaluate profoundly what is said by those not in its ranks. The opposition has to think that the entire country is living through a crucial moment, during which no one can neglect his responsibility to help find a real solution.

It is inadmissible for either side to opt for abstention, as then it will be too late to bemoan the mistakes made.

The government has already shown its political cards and has announced that others are yet to be displayed which relate to social and economic matters. Those of the opposition for the moment have limited themselves to the formulation of their opinions without making a statement of the role that is properly theirs in the search for a way out of the crisis. Because the government and the opposition have to courageously face up to the irresponsibility for the country's future.

#### Broader Position Sought

Santiago ERCILLA in Spanish 17 Aug 83 pp 9-10

Interview with Interior Minister Sergio Onofre Jarpa by Carmen Gardewig on 12 August 1983 in Santiago

Text In the midst of continuous and intensive meetings which followed one another after the violent incidents on Thursday, Minister of Interior Sergio Onofre Jarpa received ERCILLA on Friday, 12 August at 1200 hours.

He was calm and did not show his enormous concern over the serious nighttime incidents and had not lost his composure after 2 days of intensive journalistic siege. Hours after assuming his post, Jarpa spent more than 60 minutes answering the questions of national and foreign newsmen. Later, an endless chain of interviews, dealing with all imaginable topics, without failing to answer any query, made him the most read about person of the long weekend.

He spoke with ERCILLA for 30 minutes about the possibility of holding a plebescite, the role of the opposition, the future of the armed forces and the political outlook for 1989.

Question Upon your return from Buenos Aires, you described yourself as a Chilean nationalist. What is the meaning of that definition?

Answer That our political action is oriented exclusively toward Chile's interests, in a broad national sense, which subsumes the best traditions of our homeland in the political sector and that we will be able to determine our own road to the future. The way I put it may be a bit explicit, but it seems to me that the people who read my remarks understood that this was a matter of a Chilean position, with emphasis in this sense on the fact that we do not want to be interfered with by foreign interests or pressures.

Question That definition, then, has no relationship to any nationalist movement there may be in Santiago?

Answer I do not think that--at least on the part of the government--there is an intention to adopt a party position but rather just the opposite: to adopt a position of the broadest scope so that all the currents of public opinion there may be within the framework of a democratic and libertarian system can express themselves.

Question How would you characterize the response which opposition sectors have given to the Pope's letter?

Answer I think that there are sectors in the opposition which are trying to provoke confrontation and violence and that some persons who do not perhaps share that attitude have been signing manifestos which are used later as pretexts for those who trigger shooting and the deaths of people, as has happened, unfortunately; however, I feel they have a very great moral responsibility because of their failure to clarify their position with respect to totalitarian Marxism which, definitely, is the big problem for Chile.

Question Do you think the opposition has received the president's announcements well and will cooperate in their implementation?

Answer I think the public has received them well, which is what interests us, as we cannot be dependent on what is said by a handful of individuals who obviously do not represent public opinion but rather that of one clearly identifiable political sector. But the government in its resolutions and the broad outlines of its policy cannot be hamstrung by what certain leaders say or do not say.

Question What assurances does the opposition have that the announced democratic opening measures will be implemented and not disavowed at the first opportunity?

Answer They have the word of the president of the republic, of the entire cabinet, the commitment which has been made with the Council of State. We are not here to deceive the country but rather to try to resolve problems with the support of all sectors.

Question But public opinion even though it be a minority is being channeled through currents of opinion, through the political parties. If it should happen tomorrow that these political parties do not accede to the government's call to participate in the framing of the organic constitutional laws, will the laws still go forward?

Answer They will still go forward.

Question Will you here then try to gather in that silent majority that is not channelized?

Answer Exactly, because we will definitely have a plebescite so that public opinion can resolve the matter.

Question Do you plan to hold the plebescite no matter what, with the opposition participating in the study of the organic laws?

Answer Exactly.

Question In what manner will this be done?

Answer We have set a course of action here which, in order to shorten some time frames, makes it necessary to hold a plebescite; because these constitutional laws in a way mean a reform of some provisions of the Constitution.

Question You are taking over the ministry at this time as the authorized spokesman, the man who gives guarantees to a large number of persons. Who do you believe is really going to be the spokesman vis-a-vis the opposition: the Minister of Interior or the Council of State?

Answer In the study of the laws, the Council of State; in anything that has to be done in the political sector, the Ministry of Interior.

Question That is, the government's political initiative is going to continue to be in the Ministry of Interior?

Answer The president of the republic has the initiative; we are limiting ourselves to following the president's orders and to implementing the guidelines he gives us.

Question Is the incorporation into the cabinet of a larger number of civilians only temporary or does it respond to a gradual shift away from the armed forces so that they can assume a role different from the one they have played up until now?

Answer In reality, I think that the appointment of civilian experts to some ministries, as is happening in Housing and Health, is a very important step. And not only to seek the participation of professional or technical sectors but also so we can give the people a feeling of greater participation in the government. That is the wish of the president, to open doors, to open windows, so there will be a transparency to what the government is doing, to the proposals, and so the professional groups will participate, in general all interested parties. I believe that the line will be maintained in that direction.

Question What, then, will be the role of the armed forces in the future?

Answer The fact is that the armed forces are not part of the government; in this regard, I would say that there is a somewhat mistaken emphasis. The government is not the government of the armed forces; this is a constitutional government. It is founded on the existing constitution, and the armed forces are not included within the political framework; they are not part of a political problem in Chile. The armed forces continue to be absolutely independent and professional.

Question How do you envision the political picture in 1989?

Answer That depends upon what we do now. I think that if we are capable of an economic recovery, which I am certain will be initiated in the next few months, and if we are sufficiently effective in the clarification of the political situation, I think that at the end of the current period the country is going to be on a good footing of stability. Then we will have a clear democratic line for the future.

Question And what about the outlook for the armed forces?

Answer I think that some major currents of public opinion are going to be organized within a democratic format, with the commitment to maintain the format. Because here it is not a question of the armed forces' poking their noses in to prevent the country from falling into a totalitarian dictatorship; the civilians have to commit themselves. The game plan we have seen in recent days is an easy one: the armed forces confront the problems and the civilians engage in criticism. Suppose the armed forces go to their garrisons. Who will guarantee the security of the civilians? Who will guarantee that they will not be devastated by vandalism? Therefore, either all of us here commit ourselves to the task or the country is not going to move forward.

Question To whom do you attribute the responsibility for what happened Thursday night?

Answer To the people who are calling for these protest demonstrations and to the fact they are either transforming this into acts of violence or if not planned that way, no doubt the situation is out of their hands and they are being used as a screen by vandalic terrorist elements who acted.

Question What is your opinion about the announcement of new protests?

Answer With these protests the country is not going to recover and we are not going to resolve anything. I hope they think about it and stop their madness.

Man With Experience

Santiago ERCILLA in Spanish 17 Aug 83 pp 11-13

Article by M. Isabel Fernandez

Text Who and what the new minister of interior is. His life, his likes and his long career in national life.

Not long ago, when he was asked for a description of himself, he confessed proudly:

"Look, even though it may be hard for you to believe, I am much more of a peasant than a politician. What is more, I do not have the patience to be a politician. I became one under very special circumstances, at a very difficult time, when no one could stand by with his arms crossed at home while the country was falling apart. After the military pronouncement, I definitely distanced myself from party politics."

Those who know him say this is true. That nothing would please him more than to put on his sombrero and peasant clothes and go horseback riding on one of his fine ranch horses which he raises at Villa Alegre, Linares. But circumstances have time and again made him exchange horses and lands for

speeches, political parties and meetings, which were subsequently replaced by important and delicate missions abroad.

Today, as the new cabinet chief and minister of interior, his homesickness for the countryside once more seems to be fading away.

#### First Steps

Sergio Onofre Jarpa Reyes, 63, who has four children, is a man who is not easy to categorize. His life consists of multiple facets. Born and reared in the countryside (at the Santa Julia, Rengo country estate), he spent the early years of his life far from the city. He learned to read and write as things were done in those days: a "young lady" visited his grandfather's estate in Agua Buena every day.

Shortly thereafter, along with his brother Jorge, he had to bow to another custom of that era: boarding school. He spent 6 years at the San Jose Parochial School, sufficient time for the Salesians to imbue him with rigid discipline that definitely marked his character. He continued his studies at San Pedro Nolasco, but not for very long. His father's serious illness resulted in his taking charge of the estate. After that, his principal activity was agriculture, which later was combined with other activities of a commercial kind: he became an importer of Cadillac automobiles and Cessna airplanes.

He was engaged in these activities when World War II broke out. With map in hand, he followed all of the developments and thus was born his concern for politics.

Later, in 1947, along with Jaime Larrain Garcia-Moreno--a rebel former conservative--and others, he founded the Agrarian Labor Party of which he was elected president of the youth sector. Years later, and after rapid growth, the party disappeared. Jarpa returned to the countryside and left politics, until on the eve of the crucial 1964 election, along with former Minister of State Jorge Prat Echaurren, he founded the National Action Party. This new effort was also short-lived. Prat withdrew his candidacy, and in 1966 the party merged with other political groups giving rise to the National Party. Jarpa assumed the post of vice president and later became the president of the party.

#### To Defend Democracy

From that moment, his political career was set and he began to take firm steps to defend democracy, as he witnessed its gradual decline. When the Popular Unity government began, he offered himself as a candidate for the Santiago council and was elected in March 1971.

His direct and fierce battle against Marxism made him at once a leader and, as is obvious, an enemy who was considered "highly dangerous" by Allende himself. One year later, in March 1972, he was declared a criminal for having violated the state internal security law. The reason? Jarpa himself gave the

reason when he was released, after paying a fine of 800 escudos: "Everything was reduced to statements I had made which were considered offensive to the thin skin of Minister Vuscovic." What was involved was defense of an industry from expropriation.

His great facility with words and, particularly, the subtle sarcasm he uses to discredit his opponents in various forums are a matter of historical record.

Young people feel especially attracted by his personality. Many of them closed ranks in the National Party inspired by the clarity of Jarpa's thinking and, above all, his extreme courage in defense of his ideas.

His efforts to wipe out Marxism brought him many other dangers. In November 1972, he had to be hospitalized, after being attacked by extremist elements from the State Technical University, which, after preventing his entrance to the campus, spat on him and attacked him with stones and bricks, causing a close encephalocranial traumatism (ECT). Four months later, in March 1973, he was elected senator for Santiago with the second highest majority on his slate.

#### War On Marxism

After the military pronouncement, Jarpa became an active defender of the new government. As a matter of principle, on his own, he assumed the responsibility for explaining abroad what was happening in the country. In October 1973, he told the newspaper *EL UNIVERSAL* of Caracas:

"The Chilean experience is very important to the continent because for several years there was much propaganda about Chile's being on the road to socialism and the much-touted pluralism and freedom that went with it. It has been demonstrated that that was all a coverup to allow Marxism to gain time and to sink in its claws."

In April 1974, in Washington, when he gave a speech before the seventh conference of the Anticommunist League, he responded "to those who are criticizing us for having rebelled against the Marxist government":

"I asked them," he said, "what did they expect us to do? Did they want us to remain silent while the country was being destroyed? Did they want us to accept the tyranny they (the Marxists) were attempting to impose upon us? To continue down the same road as Hungary, Czechoslovakia, Cuba and so many other countries which were being oppressed by the most inhuman communist tyranny?"

At the end of that year, at the request of the government, he joined the Chilean delegation to the United Nations Assembly. On that occasion, he engaged in a heated interchange of words with the representative of the Soviet Union, who criticized Chile's presence in that assembly. Jarpa did not leave the room and argued that if there were an "intruder" it was the Soviet Union.

He was given later two diplomatic posts. In 1976, Colombia, and in 1978, Argentina. During the second mission, his work was done at one of the most difficult moments in the relations between both countries. Ever cautious and calm he successfully resolved the most varied problems.

Only 2 months ago, he said in ERCILLA that in order to achieve institutional progress it is necessary for the major political forces to define their positions, "particularly as regards the defense of national sovereignty and the fundamental values which are at stake in the face of Marxist penetration."

In spite of this lack of definitions which he notes, he said he is optimistic about the future: "I am convinced that the past few years have provided eloquent lessons. The immense majority of Chileans are confident that the armed forces which worked together in 1973 will be restructured, will clarify their positions and will continue strengthening the democracy which will begin to prevail in the country."

Guzman: Grave Hour

Santiago ERCILLA in Spanish 17 Aug 83 p 11

News commentary by Jaime Guzman

Text In the face of the painful and grave events of last week, all of us Chileans must make the dispassionate and objective effort called for by the moment.

No matter what opinion each of us has about the causes of the current economic crisis, no one can seriously deny that it will not be easily and quickly overcome.

This means that the economic problems, as a source of social discontent, will continue for some time.

For that very reason, and without denying the priority need to focus on measures which will stimulate the quickest and soundest recovery possible, it is necessary to have a basic political consensus which will permit confrontation of the current challenge in ways that will distance us from violence-generating polarizations.

It would be impossible to pretend that Marxism is not attempting to take advantage of this crisis to radicalize the political situation to the maximum. That is what suits it in line with its doctrine and practical objectives. This is one certain factor in the equation.

However, what is decisively needed to block it is for our democratic sectors, be they government or opposition sectors, to hammer out a minimal agreement on the basis of the "call for effective dialogue" to which we have been exhorted by Pope John Paul II.

Well, it is now clear that this consensus of necessity connotes that both the government and the non-Marxist opposition will yield on some of their stands. Only in this way will it be possible to reconcile their present differences.

I count myself among those who have understood that our loyalty to Chile and the government obliges us to exact from the latter vigorous, comprehensive and systematic action to ensure the gradual transition toward full democracy.

Thus, and in the repeated manner in which we have stated our apprehension over the stagnation or vacillations observed in that process, I feel that the government has unquestionably taken significant and promising steps recently in this regard.

The announcement of a quick review of the political laws and Minister Jarpa's clearcut proposals for an opening are only part--but at the same time an essential part--of the broad outlines of the integral government plan the details of which will be released shortly.

Without a doubt, if these advances had been made earlier, the government's initiative in this respect would have been unequivocal, and no one would have been able to claim them to be concession forced by the demands of the opposition. But the essential point is that the government is now ready to take the required steps.

What is more, both General Matthei and Minister Jarpa himself have expressed the possibility of going farther and studying eventual changes of the provisional articles of the constitution through a plebiscite. I accept this as a cost of the government's political erosion arising out of the economic crisis and its loss of credibility for not having effectively promoted the transition from its juridical beginnings, when the extraordinary political success of the 1980 plebiscite had placed it in the best possible position to do so.

But, in the meantime, the bulk of the democratic opposition seems to be allied with Marxist elements, is calling for the immediate resignation of the chief of state, is integrally disavowing the constitution and insisting on "a constituent assembly" and is asking for a quick end to the military regime.

If such unreal and fanatical intransigence is maintained, the moral and historical responsibility for encouraging radicalization in the direction of violence will fall upon those of the opposition. This could frustrate any opening and lead us into a civil tragedy.

The consensus should not be confused with the capitulation of either of the two parties. Therefore, both parties should make concessions until an agreement is reached.

## Biographical Sketches of Cabinet

Santiago ERCILLA in Spanish 17 Aug 83 pp 12-13

Text Together with Jarpa and Passicot (see separate reports), these are the ministers who will make up the new cabinet:

Alfonso Marquez De la Plata, minister secretary-general of government. Some of his friends describe him as "friendly, easygoing and affable."

He says that he has never sought positions and honors. He admits to being a great admirer of President Pinochet and believes that his is the only government which can move the country forward. He is 50 years old and is an agronomic engineer. For 2 years he has served as Minister of Agriculture in the present regime.

In the communications sector, which falls under his ministry, he says that in the future there will be fluidity in such matters and that he will seek the most frank and direct contact possible with the press.

He has been a councilman, president of the National Agriculture Society and has engaged in many agricultural and business activities.

Modesto Collados Nunez, minister of housing

The beginning of a very important and difficult job is the way the Minister of Housing described the new post he is to assume.

He says he is an optimist and a technician without political trappings. "The times are hard, but I like a fight when the cause is just," he said a few weeks ago.

Collados says that the new cabinet needs the cooperation of all Chileans to be able to move the country forward and asserts that he will make every effort to resolve the housing problems. He is convinced that construction is a key factor in ending unemployment and the recession.

The construction trade union greeted his appointment with approval and is saying that this means support for the sector's 3-year program.

Hugo Galvez Gajardo, minister of labor

He describes himself as an "out-and-out" liberal and a firm advocate of an open-door policy for the worker trade unions, businessmen and the press.

Galvez, 63, an attorney, had already held this ministerial post in 1960 during the presidency of Jorge Alessandri. He says that at a time when everyone is talking about the need for consensus, it is necessary to open the doors to dialogue with the people. At the same time, he also feels that the communications media have a great responsibility for contributing to the implementation of the proposals for peace and national unity.

In the labor sector, he says that it is the right time to introduce reforms of the labor laws "to bring an ambiance of peace and progress to the enterprises and workers." In his opinion, unemployment is the most serious problem confronting the people, and the government should exert its best efforts to resolve it.

Winston Chinchon, minister of health

Dr Chinchon says that his ministry will be ready to engage in wide-ranging dialogue with all the health trade unions. In the administration of his sector, he says that he is only able to give specific information about the general guidelines offered by the government. He said that the health bill will go through the usual procedures and that he is open to suggestions from qualified groups which will benefit from the program.

With respect to his position vis-a-vis the Medical Association, he says that the relationship will depend on their attitude. "The doors of my ministry are always going to be open to those and for those who share with us the obligations for the health sector."

Hernan Bucci, minister-director of ODEPLAN National Planning Office

"A man who is impossible to categorize because he is above and beyond all the criteria of the ordinary"; "brilliant, unusual, a loner"; these are some of the ways the new minister's friends describe him.

Bucci, 34, is a civil mining engineer from the University of Chile, with a master's degree in Business Administration from Columbia University. He has served as undersecretary of Economy and Health. He has also been director of several enterprises and up until recently was president of ENDESA National Electric Power, Inc.

He does not care for personal interviews and in general shuns publicity. Among his most important concerns are the situation of the financial and banking system and the efficiency of the public enterprises.

"I will propose realistic solutions which will help economic recovery," he said when he assumed his post.

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COUNTRY SECTION

CHILE

CP OFFICIALS DISCUSS RISING OPPOSITION TO PINOCHET

Teitelboim Article

Moscow SOVETSKAYA ROSSIYA in Russian 18 Aug 83 p 3

[Article by V. Teitelboim, member of the Political Committee of the Chilean Communist Party Central Committee: "'I Believe in Chile'"]

[Text] "I believe in the destiny of our country. Other Chileans will endure this dark and bitter hour when treachery bursts its way to power. But know that the day is not far away, the day is close at hand when once again there will open up a broad road down which a worthy person will walk in order to build a better society."

S. Allende, 11 September 1973.

These prophetic words, uttered by the people's president of Chile only a few hours before his death, I recall today, when millions of Chileans are resolutely demanding Pinochet's retirement, when the slogan "Democracy now!" has truly become a national one.

Recently, on 11 August, the fourth National Day of Protest was held. It demonstrated with new force the will of the Chilean workers and their desire to be rid of the bloody Pinochet dictatorship. The tyrant stated that he would not permit a third, much less a fourth mass protest. "The government was tolerant of the two previous ones," the hangman stated, "but now there must be an end to this."

But despite his threats, tens of thousands of unarmed Chileans took to the city streets demanding the restoration of democracy and respect for civil rights. The enraged dictator brought down upon the demonstrators the full might of his repressive government. Twenty-seven people, including children, died from shots fired by the security forces. However, even this bloody

massacre did not break the opposition to the Pinochet regime. The decision had already been made to hold a fifth [in boldface] Day of National Protest.

I remind you that the two first protest days were held in Chile on 11 May and 14 June of this year. Hundreds of thousands of Santiago residents took part in them, despite the repressive actions of the authorities and the fact that there were dead and wounded among the protesters. In order to deprive the people of information about preparations for subsequent actions the tyrant ordered the establishment of very strict censorship. Nonetheless, the third Day of National Protest in July exceeded the two previous ones. It received support from many millions of Chileans. Virtually the entire country demanded that Pinochet retire. The dictator carried out repression against all those with inclinations toward the opposition. But Pinochet's guard is particularly zealous about hunting communists. The regime's ringleader suspected that they were the ones who organized the days of protest. This is not so. However, it was not without reason that those arrested included Rodolfo Segel, leader of the miners' union, Gabriel Valdez, chairman of the Christian Democratic Party, and Jorge Lavandero, chairman of the influential opposition organization called the "National Development Project". And it was Lavandero who said: "Not once, but a hundred times we will go to prison if that is the price for the restoration of our democracy."

However, by attempting to suppress popular demonstrations by force Pinochet only exacerbated his own position. He is adding more and more fuel to the fire. Never before has the dictator been so alone both within the country and outside it. Even the U.S. State Department thinks that its pupil, who has served the White House faithfully for 10 years, has now become virtually an obstacle to further Yankee control over Chile.

Thus the tyrant is on the point of being thrown to the mercy of fate by his most solicitous guardian, who values the interests of the multinational monopolies above everything else, including "family relations." And it is quite prepared to allow "Pinochetism" without Pinochet.

Many foreign newspapers and journals agree with the opinion that Pinochet has no chance of being saved. For example, the Spanish PAIS carried an article with the headline "Pinochet--The Madman in La Moneda Palace." The U.S. ambassador to Chile, James Theberge, a person of extremely reactionary views, said in confidence to his colleagues: "Pinochet lies to everyone and is convinced that everyone lies to him. He trusts nobody and by now nobody can trust him."

The dictator has set a genuine record. At present he has managed to arouse the simultaneous opposition of the proletariat and the bourgeoisie, the church and the Masons, the financial oligarchy and the impoverished middle classes. Only the ground forces and the police continue to support the tyrant. But not because they agree with him on everything. The army remains "faithful" to the dictator because it fears retribution for past crimes. Moreover, the soldiers and officers are constantly under strict surveillance by plainclothes men, and they are subjected to frequent purges and shake-downs. But it is well known that the army contains a substantial number of people who would willingly get rid of Pinochet.

Pinochet is mired in corruption and nepotism. In Chile stories are told about his greedy and self-seeking relatives. And there is a telling detail: he never looks a person in the eye when talking to him, nor does he look into the camera when he is talking on television. Tens of experts who were brought in to create for him the image of a "champion of the people" have literally worn themselves out. Despite all their efforts, Pinochet always has the same look--a threatening one. It is interesting that even his friends in the CIA, anxious about their creature, sent the best psychiatrists to Santiago to analyze his public statements, which are always full of malice and hatred. The results of the investigation were not reassuring.

According to Pinochet, everything that is happening in Chile at present is the "sinister plan of the Russians," who are supposedly attempting to create a false image for him in order to overthrow him. After such statements his close associates came to the conclusion that their chief was simply out of his mind.

How do the millions of Chileans express their protest? By peaceful means: by banging on empty pans with a spoon at a set time or by nosily stamping their feet on the tins roofs of their dwellings. As a rule, this "music" is accompanied by slogans: "Somoza left, Pinochet should go too," "Bread, justice, work and freedom!," or "Stop the repression and torture!"

I have before me a list, one of those which is now being disseminated in Chile. It was sent to me by acquaintances in my Homeland. Its heading is: "Protest any way you can." It goes on to specify various forms of protest against the Pinochet authorities: "Do not buy anything, do not send your children to school, walk slowly in the street, honk horns and ring bells after 10 pm, organize meetings at work sites and universities, do not give in to provocation and intimidation.

With the fall of night and the arrival of the curfew hour, other methods are used: in the workers' areas of Santiago barricades of burnt-out car tires are put up. Thousands of demonstrators

protect themselves from the soldiers and police pressing in on them. Shots ring out, tear gas swirls about.

The people of Chile have inflicted a mortal blow to the monster. But there is not yet complete unity among the various opposition forces. But everyone is unanimous on the main point, which is the need to remove the imposter from power, to create a new, democratic transition government, to hold free national elections and to begin to restore the country. And it is possible that in order to achieve these goals a fifth, sixth and seventh Day of National Protest will be necessary, or as many as are needed to get rid of Pinochet and his henchmen. The fate of these favorites has been decided. Neither bloody terror nor cunning political tricks will help the tyrant. Freedom and democracy will be returned to Chile, and this happy moment is no longer far off.

Montes Press Conference

Moscow APN DAILY REVIEW in English 13 Sep 83 p 1

[TASS item: "Jorge Montes Holds Press Conference in Moscow"]

[Text] The military fascist Pinochet regime's repression is unable to keep the Chilean people down. The Chileans are closing their ranks in the struggle against the hated junta and diversifying the forms of protest. The economic crisis in Chile is tightening its grip: nearly one in every three Chileans is out of work and even the people's basic needs are not being met.

This description of the situation in Chile was given by Jorge Montes, a member of the Secretariat of the Central Committee of the Communist Party of Chile. He was speaking at a press conference in Moscow, which was sponsored by the Soviet Committee of Solidarity with Chilean Democrats.

Jorge Montes illustrated his conclusions with the example of national protest days in Chile in recent months. The population's mass demonstrations against the fascist regime, which began on another protest day, September 8, are continuing to this day, despite ruthless reprisals and arrests.

The Communist Party of Chile urges the rallying of all forces which oppose the military fascist regime, Jorge Montes emphasized. "There can be no question of dialogue with fascism--only struggle against it till the final victory," he said. "The Chilean communists," he added, "favor the development of all forms of popular protest. The Communist Party maintains steady contacts with mass public organizations and takes part in coordinating their activities."

"Our goals are clear," Jorge Montes said in conclusion. "They are to remove the fascist regime and form a provisional government based on the platform of popular unity. This government could immediately embark on implementing ripe political, social and economic reforms. The progressive social transformations effected by the Salvadore Allende government in the interests of the working people have left a deep impression on the Chilean people." [TASS, September 12. In full. Translated by TASS]

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JARPA: 'THE PRESIDENT CAN DEPEND ON US'

Santiago QUE PASA in Spanish 18-24 Aug 83 pp 9-11

Interview with Interior Minister Sergio Onofre Jarpa by Patricia O'Shea; date and place not given

Text He says that he has "the accelerator to the floor." And no one doubts it. Less than a week after having assumed the post of Minister of Interior, Sergio Onofre Jarpa has produced a political shakeup in the country. And the fact is that he is an experienced politician. He is also friendly and charming. He received QUE PASA the day following the protest, a day when his time was precious. He says that he has been asked for interviews by about 100 politicians and businessmen. All of them want to talk with him. And he wants to talk with a lot of people, too, supporters and opponents. "With everything I have to do, they want me to read all the statements made against me...the truth is that I do not have the time."

Question What did you think about the statement made by Domingo Duran when he described this cabinet as a "hash"?

He laughs heartily. He seems to like the description very much. "I think Domingo is a nice fellow and is very picturesque in his definitions; but we are going to have a talk one of these days to see whether instead of hash we can prepare roast pork and tomatoes."

Two days after his appointment, Domingo Duran had gone to talk with him at the Palacio de La Moneda. He left saying he was grateful for the effort Jarpa was making by assuming the post of Minister of Interior in such difficult times.

Question For a person like yourself, who has worked all his life in politics, does being appointed Minister of Interior and announcing decisive measures mean the culmination of a career?

Answer I never in my life thought of having a political career. The truth is that the situation and circumstances have caused me to assume tasks that probably are way over my head. But that is fate. When the problem of Popular Unity came up, it was necessary to assume tasks and present ourselves as candidates for parliament and the councils. It had never before occurred to me to think about being a councilman or parliamentarian. However, it had to be

done. After that I took over embassies and tried to do what the president of the republic wanted me to do. Now he has entrusted me with this job which is a great honor but it is also an enormous responsibility. I hope to move forward with the help of all Chileans of goodwill.

Question The president has spoken rather harsh words about politicians. Nevertheless, now a politician is returning to the Ministry of Interior, although you tell me that you are not a politician. What virtues and defects do you see in a politician?

Answer I could say that I do not consider myself a politician. What is happening in Chile, because of some of the vices of the political parties and because of some of the excesses of the parliaments (for example, when it was necessary to approve the budgetary legislation, the Minister of Finance had to make the most incredible pacts in order to get the votes), is that for a long time the Presidents have attempted to strengthen presidential authority and have tried to prevent the interference of political leaders and parliamentarians, particularly in economic matters. Therefore, the idea that exists about a "politician" being an element which does not always serve the national interest but rather the interest of a group or party was deeply rooted in public opinion. I remember that when the people turned out to vote for General Ibanez there was a repudiation of the political sector. Jorge Alessandri was a candidate who denounced the excesses of the parties. I would say that in general the political parties were responsible for the development of the system which, because of an excess of politicking, because of weakness or ineffectiveness, wound up in a Marxist government...for which we cannot blame those who did not participate in politics. Therefore, in a way, the president is right...what is bad is that if some basic precautions are not taken, we all get "soaked." But I have never felt offended because in one way or another we were all part of a system which obviously was not effective and was not sufficiently clear. That is also a lesson we should all keep in mind for the future.

Question You are called a nationalist. What is the difference between your nationalism and that advocated by so-called nationalists such as Rodriguez, Acuna and Willoughby--the hardliners--who have been at odds with another sector of the government's supporters, those in favor of an opening or the trade unionists?

Answer Nationalism is not an attitude; it is not a political group. I have many radical friends and if they are asked whether they are nationalists, they say "yes" and consider it a bad thing for someone to attempt to appropriate the term of nationalist. Therefore, I do not believe there is a question of nationalism or of how to use the word Chileanity which, in my opinion, represents more or less the same attitude.

Question What do you think about the dispute between the nationalists--hardliners--and the trade unionists or those in favor of an opening?

Answer I hope the dispute among the government's supporters ends soon because we are confronting serious problems and cannot continue discussing

questions of terminology or interpretations which could be quite interesting at another time.

Question It has been said that you do not exactly like the trade unionists. What do you think of that movement?

Answer I think they are very good people who have had the responsibility for political leadership during one stage and have tried--I suppose--to do a very good job. Now that the circumstances or the orientations were not or are not suited to the present, that is another story. I believe they are very good people and that they could join all the others who are pushing on the same side.

Question How would you describe the president? Is he a good politician?

Answer I would say that the president is a very patriotic man who is much concerned about the future of Chile. He is very moved when humble people come to him for help or ask him for protection. In this regard he has great social concern, and I think he has very good political judgment. However, since he is very thorough person, he relies a lot on people and at times espouses positions, or assumes responsibility for things that can definitely harm him.

Question To what are you referring?

Answer To certain political or economic positions which the president thought would have a different effect than they did. He supported them with the most absolute good faith and since he is very much a man at no time did he say: "The ministers informed me badly or they were wrong." The president has directly and silently assumed the responsibility, and the truth is that mistakes have been made here by his civilian colleagues.

Question But the line was reaffirmed...

Answer No mistaken line has been reaffirmed here. We are effecting a realistic policy here. Now, I repeat, the people who made mistakes I am sure were acting in good faith. And the president has been very manly and has not brought them up. From the viewpoint of the political usage with which we are familiar, it may be that this attitude of the president is considered mistaken. But that is the way it is when there is a single line, and the president does not go around trying to make excuses for himself. I will tell him that I have a great debt of gratitude to him because had it not been for his decisiveness, this country would not have got beyond 1973. We have a poor memory and do not remember the situation we had in September 1973, when there was not even any food.

Question You said that with this cabinet a new stage in political leadership was beginning. How do you propose to start your job to overcome the trench atmosphere between the government and the opposition? How do you intend to produce that thaw which will permit dialogue leading to a consensus?

Answer My point of departure is several factors with which I am acquainted. First, the government's readiness to open that dialogue and move forward with a plan leading to full democracy. Second, the disposition of the immense majority of Chileans who, I am sure, want to find a solution to the economic and political problems in an ambience of peace and understanding and rejection of violence and vandalism. The third factor is the faith I have in Chile which has been able to overcome--as I told the president--very difficult trials throughout its history and I believe that we are also going to overcome this one, with the help of God.

Question On one occasion, you said that it would be very difficult to initiate a dialogue or to begin to talk about political activity when there are no clear definitions on the part of some sectors and when there are sectors that do not recognize the 1980 Constitution. Now there is talk of inviting people who put out a manifesto a few days ago--that of the Democratic Alliance--in which the president is called upon to depart and who have failed to recognize the legitimacy of the Constitution.

Answer Well, those persons are very few in number. I believe that if you take the trouble to count them they will not add up to a very large number. I suppose there are other persons of goodwill who are ready to cooperate.

Question But those few persons are people such as Gabriel Valdes, who heads an important opposition party...

Answer If Valdes does not wish to cooperate, that is his responsibility. But there will be other persons willing to cooperate.

Question The government has given an answer to the Pope's appeal by means of several announcements which have been made. Do you not feel that the opposition should give a more concrete answer which is not through more violence and the banging of pots and pans?

Answer That is what I hope. Unfortunately, the most rational and responsible people in the opposition are not in the leadership at this time. I hope that this situation can be rectified in the future and that there will be people with more political experience with whom we can reach an understanding.

Question In various interviews you have expressed a concern over the infiltration of Marxism. Do you think it possible to put an end to such communist infiltration in Chile and Latin America?

Answer It is not possible to put an end to Marxism infiltration; however, we must keep a defensive attitude toward it, in a unified front against it. That is one of the evils of our times. We will have to accustom ourselves to living with this defensive spirit of defending our values, because if we "lower our guard," the same things that happened in 1970-1973 will happen again. I am sure that the irresponsible people who are calling for protests are not the same people who are employing the terrorist tactics of the kind we witnessed yesterday. There must be an underground commando that is using that leadership as a screen, but that leadership has the moral responsibility for what has happened because it lends itself to the calling of protests.

Question Do you consider valid the proposals made by the "Democratic Alliance"--formed of the same sectors which called for the protests--with respect to totalitarianisms which exclude them from this group?

Answer I believe that we have to define our position with regard to communism. No one is asking them whether or not they are going to invite us to their homes but rather whether they consider it possible for a sound, stable and efficient democracy to exist, leaving the door open to Marxist infiltration. That is to say whether or not they want to return to 1970.

Question There are other persons who have demonstrated that they support the government's action, who are expressing their solidarity with it from the outside. They are former National Party members. You have indicated the need for the formation of large political blocs which will give stability to the democracy. However, the National Party members, who were your party, appear to be divided into "cliques." What do you think of this process? What would you say to the political right?

Answer I think the idea is for them to form large parties of opinion in which there is room for everybody, even though they have differences with respect to details of minor importance. It seems to me that people have to get together around very clear definitions and orienting principles; but on all sides there will be different ideas of how to handle the problems of the moment. Therefore, I am not worried that different statements have surfaced recently. I think that when the time comes for basic definitions, people are going to take the position which suits them.

Question And when will those basic definitions come into being?

Answer When the law covering political parties is passed there will be an opportunity for the taking of positions.

Question Does that law fit within the framework of the political plan you have been proposing?

Answer The president has always been very concerned about the political and economic management of the country, and when I talked with him, in connection with the mission I was carrying out in Argentina, occasionally he took the opportunity to speak about internal politics. I gave him my opinion, with the interest which all of us Chileans have in assuring that things run as well as possible; however, I had never proposed that as a political plan. What is more, I have presented nothing in a personal way. A committee is at work here with the ideas that the president himself had set forth and on that basis it sent him a memorandum.

Question That were the ideas about an opening?

Answer Exactly.

Question Among those ideas there is talk of the possibility of a parliament. You did not rule out the possibility that a Congress would be in operation before 1990...and you said that other formulas could be thought of...

Answer Yes, of course. We are not closed to anything here. But we want them to propose things that are realistic, which function and which really correspond to an expression of public opinion and not only of minorities or top party leaderships. Different approaches can be envisaged so long as there is a will to do things well. I think that what is important is the essence of the problem rather than getting ourselves tangled up in questions of form which will always be easy to resolve. The essence is that either we head down the road of dialogue and democracy or allow ourselves to be dragged into a confrontation whose outcome will be disastrous for the country. Then for many years there will be no possibility for peace and internal unity, much less a solution to the economic problems.

Question May we know of what the road of that plan consists?

Answer The plan is formed basically of the political laws, because as long as no political laws are passed, the rest is making announcements.

Question Is it possible to hope that this plan has a schedule for the attainment of certain objectives?

Answer I think so, but the idea at this time is not to set a date for the Council of State and limit its possibilities of drafting the organic bills with sufficient study.

Question The opposition is afraid that they will be "cut out." Is that not the government's thinking?

Answer No. No. That would be a political tactic. No. We are interested in having the country move forward, not in engaging in political tactics. That serves no useful purpose. That does not serve the country. We are fulfilling our commitment by passing these laws and perhaps, as I have told you, it will be necessary to have a plebescite so that public opinion can resolve the matter. Because if at some time it is necessary to introduce a reform of the provisional articles of the Constitution, we will have to do so through a plebescite. The idea is not to change the permanent Constitution; but there are provisional articles whose time frames could be shortened.

Question As for a Congress?

Answer Yes.

Question You said you had received many telephone calls of support. What did you ask of those who are supporting you?

Answer Little by little I am going to meet with them and I am going to ask them all to help me in something. Because I am aware that I cannot do this job if they do not help me. And since there are other fellows who are going to devote their efforts to placing obstacles in the road, that is all the more reason I need help.

Question Those fellows have said that they cannot dive into an empty pool. They want to see the water first.

Answer Well, let them wait and they will see the water. Let them wait a bit but let them not smash the pool prematurely. Many of them were responsible for a Marxist minority's coming to power; therefore, they should give those of us who were not part of that problem a chance to work a little, with the promise that if things go badly for us, we will leave. We are not thinking about taking root in the government.

Question It has been said that if this political plan is not accompanied by economic relief it will definitely fail.

Answer There are also economic plans which will be made public shortly. The programs have to be coordinated with the country's economic reality and implemented to the extent that we are able to make the resources available. Minister Caceres does not have a rigid program. He has analyzed public finances and the state's commitments and has secured an extraordinarily good renegotiation abroad. Within the framework of these resources, a public works and housing reactivation program fits perfectly and will be stepped up to the degree that we have additional resources.

Question Finally, Mr Minister, could this cabinet restructure be interpreted as the president's decision to make the government and cabinet more responsible for political management and not to commit the whole regime to situational matters and policy decisions and instruments?

Answer I think that the president is a deeply patriotic man and is constantly worried about resolving the problems. Therefore, he is always trying to promote the work of the government and the public administration. I think that if we ministers are capable of taking on this task efficiently and with the enthusiasm the president wants, he is going to be able to depend on us a bit.

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PINOCHET: 'I THINK AN UNDERSTANDING IS POSSIBLE'

Santiago QUE PASA in Spanish 8-14 Sep 83 pp 8-12

[Interview with Gen Augusto Pinochet, president of Chile, by Patricia O'Shea, in Santiago; date not given]

[Text] Accomplishments: regionalization, the southern highway. Frustrations: some poisoned minds among the youth. "I will not take a step backward."

Ten years. Ten years, as he puts it, of worries, studies, reflection, accomplishments and frustrations. A lot of water has passed under the bridge since that Tuesday, 11 September 1973, when the first decree of the Government Junta was the military proclamation which ended the 1,000 days of Popular Unity. They were days of total shortages. And also of total chaos. Chaos which, as President Pinochet notes, many are forgetting today.

Amiable, easygoing and sure of his answers. President Pinochet received QUE PASA at the door to his presidential office. A friendly smile, eyes that are noteworthy because of their color and a cordial "come in and fire away" instill an ambience of tranquility to examine what those 10 years have been like and the changes under consideration at the present time. He did not sidestep a single question.

[Question] What recollections do you have of 4 September 1970? What did you think would happen to the country?

[Answer] On 4 September I was in my office and said to myself: "Poor country. We are going straight into communism and Marxism. And they do not know where they are taking us. I hope the politicians think it over and do not name that man president of the republic because if they do, that is the end of the country." It came out the way I thought. I am not a fortune-teller, but that time my reasoning was right on target.

[Question] You have completed 10 years. What has it meant to you to become the president who has endured the longest in the country's history.

[Answer] It has meant worry, study, meditation, reflection, accomplishments and frustrations.

[Questions] What are the most important accomplishments?

[Answer] There are many accomplishments. For example, one of the biggest accomplishments was regionalization. Regionalization has one virtue: it has solved the problem of the country's shape which is in the form of a belt. In the old days, everything was located in the central part of the country. Today, every region has a nucleus which permits harmonious development of the economic, political and administrative sectors. The previous centralism does not exist. That is one of the biggest accomplishments we have had here in Chile.

Another important accomplishment which I can cite is the Southern Highway. The Southern Highway opened 100,000 square kilometers of land to the whole country. That highway has had transcendental ramifications. I think the people have not given enough importance to the significance of that highway, as it will permit us to go inland to the cordillera and make use of lands that are now forested. That is another great accomplishment. And so are the seven modernizations. In short, it would take a long time to enumerate all the accomplishments.

[Questions] And what have been the frustrations?

[Answers] Frustrations? For example, among a portion of the youth the opposition managed to infiltrate some minds. That is a frustration.

[Question] Does that mean that this portion of the youth was unable to understand the overall work of this government?

[Answer] That means the opposition managed to infiltrate the minds of a portion of the youth.

[Question] Mr President, if you had it to do over, what things would you not do again? What things would you change?

[Answers] Many things.

[Question] Take the security services for example. Would you again structure them the way they are?

[Answer] Yes, I would do the same thing with the security services because they give you security.

(We told him that a few days earlier a bomb had been planted in our magazine's building.)

[Answer] That is why I said what I did. The security services give you security. It was the security services that deactivated the bomb.

[Question] But do you not also think they committed some excesses?

[Answer] Excesses were committed by both sides. When they talk about dead or disappeared persons, they say nothing about those on our side. We had casualties. More than 400 persons have been wounded or killed.

[Question] Francisco Bulnes said in an interview he thinks that if the politicians show they can give a government to a country, if they show maturity, you would have no problem shortening your term? Have you considered that possibility?

[Answer] You have to understand one thing well: I was not the one who set the timetables. I am not the one who said I am going to do this or that. It is the country that set the timetables and the road to follow in a constitution. To change that constitution, we have to hold a plebiscite. And to hold a plebiscite we would have to have electoral registrations. If we failed to do so, out there they would say it was not valid. So where are we? If it is not I, it is the people who set the road; and I swore to respect it.

[Question] Therefore, you will do things the way they have been established.

[Answer] The way they are.

[Question] How do you evaluate the attainment of the objectives which were set on 11 September 1973, particularly as regards putting an end to Marxist infiltration and giving the country a new institutionality which would prevent a crisis similar to the one that year?

[Answer] As regards Marxist infiltration, I think the country clearly recognizes the harm it is producing and the danger it represents for institutional stability.

Keeping fully aware of that danger is extremely important and to this end the government has contributed heavily to permanently denouncing Marxist activities and to demanding a definite position from Marxism.

But what has been done is not enough to combat Marxism, which in part is a product of poverty and discontent. Therefore, we have developed an effective policy against extreme poverty and social alienation, by integrating into those sectors the benefits of development and by making important resources available to them. Naturally the promotion of an economic strategy which favors progress and development, such as the one followed during these years, also represents a tool in the anti-Marxist struggle.

In a related connection, the country now has legal instruments to protect the institutional system from Marxist activities and from any other totalitarian activity. The pertinent constitutional provision that excludes from civic life all those who propagate totalitarian doctrines is an indispensable mechanism which, combined with the actions undertaken in other sectors I have referred to, constitute an integral answer to the latent threat of Marxism.

With respect to our proposal to build a new institutionality, no one can doubt that the essential principles and institutions of a democratic society founded on freedom now find in the constitution a much clearer statement than in the previous institutionality.

[Question] You said recently that if the country were to run into a situation such as that of September 1973 you would repeat the decision taken on 11 September of that year. What is the exact meaning of your words? Do they respond to an apprehension that the country is confronting a situation which could lead to similar chaos?

[Answer] If we were to return to 11 September 1973, the military proclamation would be made once again. The decision taken at that time by the armed forces was absolutely necessary to keep the country from becoming one more satellite of Soviet imperialism or to prevent the outbreak of civil war.

And if tomorrow the country were once again in danger, its very existence threatened, the armed forces would once again save its sovereignty and freedom.

To interpret my words as meaning the country is now going through a situation similar to that of 1973 is absurd. There is no similarity between the very serious problem of today and those of that critical situation.

[Question] What is the balance sheet of those 10 years of your administration in the economic-social sector? What would be the most positive and negative aspects you would bring out?

[Answer] In the first place I must point out that the country, through effort and sacrifice, was able to recover from the prostration in which we were left by the Marxist regime, to overcome the so-called oil crisis between 1975 and 1976 and to grow at more satisfactory rates from 1977 to 1981, with consequent benefit to all sectors. Just because today there are serious difficulties, the product of the international recession, we are not going to overlook the development experiences by the country since 1973 and the accomplishments, which are obvious.

In 1973 the government had to face the challenge of rebuilding the country with 22 percent of its population immersed in extreme poverty, with a productive apparatus destroyed by expropriations, with runaway inflation, a country which was for years bearing the burden of a series of distorted economic measures, such as exemptions, price control, high and discretionary tariffs, maintenance of a negative real interest rate and others which were harmful to most of the population, particularly to the poorest, and had only benefited specific sectors or groups.

At that time we had to resume the social programs to promote effective equality of opportunity; reduce the fiscal deficit, which was reaching an untenable level; defeat the scourge of inflation; demand efficiency in the public enterprises; promote confidence abroad, which had been so damaged by the Marxist regime; and, in general, create the conditions so that private initiative could resume its role as the motive force of national development.

Today we can point to concrete accomplishments in all sectors. The reduction of infant mortality from 65.4 per 1,000 live births in 1973 to 23.4 per 1,000 in 1982; a reduction in malnutrition from 15.5 percent in 1975 to 8.8 percent

in 1982; a reduction in illiteracy, whose average in Latin America in 1980 was 22 percent, to 5.9 percent from the 10 percent in 1970; an increase in the coverage of basic education to 97 percent of the children of school age; a 46 percent increase in the country's number of courts; an increase in social spending from the 27 percent of 1973 expenditures to 58 percent in 1982, are some of the accomplishments of a social character which demonstrates an effective advance of the country in this sector.

In the economic sector, the country has made important progress, particularly in the fields of mining, fishing and forestry. Our exports have been appreciably diversified. Private parties now have full freedom to engage in economic activity and there is an express recognition of the right to property. Chile is a country which gives security to investment and which takes advantage of the creative capabilities of its individuals.

The defeat of inflation is an extremely important achievement. And so is reduction of the fiscal deficit, which became huge between 1978 and 1981. What is more, we managed to resolve the balance of payments problems, which had been systematically showing a deficit prior to 1973.

I could go on citing figures and achievements of the vast work of the government. What is important to point out is that the country is now in a position to resume its road to development, having overcome the effects of the international crisis, and that the situation we experienced before 1973 has been definitely left behind us.

[Question] In recent years, both Your Excellency and other government authorities have publicly mentioned the loss of government support. To what factors do you attribute this loss of support? It has been said that the degree of support of the government was based fundamentally on economic success. Do you in any way share that criticism?

[Answer] The government's plan to create a new political, economic and social institutionality capable of moving our country up the road to development in every one of its sectors has generated the enthusiastic support of the great national majorities which have seen in this plan the possibility of overcoming the difficulties with which we are all acquainted.

The ambiance of peace and tranquillity which the government created, the normalization of national activities and the evident accomplishments which the economic strategy produced, particularly beginning in 1979, increased the government's popularity.

The people's support for the job of the government has been decisive for its programs, which have motivated the people. The approval of the 1980 political constitution is the best proof of that.

This decisive and enthusiastic support has now run up against the economic problem and, naturally, anyone affected economically, without security for his family, finds in that problem his principal preoccupation, and everything else is relegated to second place. If the economic problem continues, what is done in other sectors will not satisfy the aspirations which to that person are of primary importance.

It is necessary to overcome the economic problems to continue giving impetus to the country's progress and development and to attain the objectives set.

I do not mean to deny that the loss of support could also be due to mistakes the government has made. Those mistakes have been rectified.

Every decision has its margin of error. What is important is to react in time and, as we have done, to take a dynamic position in the face of difficulties which, I insist, are essentially economic.

[Question] Do you think that the recent measures you have requested of your cabinet will be successful in redeeming and increasing the degree of support?

[Answer] With this new cabinet we have initiated a political program which is to end with the political system provided by the constitution in place. This entails a new step toward the full democracy all Chileans and the government desire; therefore, I think that in addition to generating the support of the truly democratic sectors, it will strengthen the faith in the government and its decisions.

[Question] What do you think this government's legacy to the future democracy of Chile should be?

[Answer] The legacy will consist in having established the fundamental framework within which that democracy should function and develop.

[Question] How would you like for history to judge you as a statesman and your government's work?

[Answer] I hope this government will be remembered for the battle it had to wage to rescue Chile from Marxism and to defend its threatened freedom. History should record the work of those years and the effort made to assure the nation's political, economic and social development and to overcome the obstacles we encountered in the road and the capable and decisive manner in which we confronted them.

I think that this government should be given credit for having initiated a new stage in the history of Chile, which will be characterized by the mark of liberty.

[Question] What is your opinion of Chilean youth? Do you think that these 10 years have served to make the youth sector demand other qualities from its leaders, compared to what the young people expected of their leaders previously?

[Answer] I see a youth sector interested in its full perfectability and in the country's welfare. I have maintained continuing and close contact with young people and I am amazed by the dedication to service which animates them and the moral and spiritual values which characterize them. As a Chilean, I am proud of my country's youth, and this makes me have great confidence in the future.

Recently I said that in Chile today there are new civic customs and that I have noted stronger adherence to the basic principle of Christian western civilization and to what traditionally has been our way of life. The young people of today have more political, economic and cultural information, are especially receptive to religious values and are opposed to materialistic concepts. Respect for our history and its heroes has also increased. It is the young people who will be responsible for running the country in the future, and their leaders will have to represent those positive characteristics of our youth.

[Question] The youth of today do not remember the days of Popular Unity. It is becoming increasingly evident that their views of the present are not influenced by what happened in the past. How do you think they should evaluate this government's work? What evaluative factors would you offer them which are unrelated to previous governments?

[Question] In order for our young people to properly evaluate the work of the government they have to consider that it does not justify itself merely by comparison with the anarchy of the Marxist regime but rather has a program of its own and a defined objective. What we are doing today is shaping our institutions and creating a system in accordance with our values; and in this task, every young person has an important role. Our youth are a very important part of the institutionalization process and are called upon to assume a constructive attitude beginning now.

However, our relations with the church have been maintained within the framework of mutual respect. The government at times has had to reject church intervention in matters proper to the government and to complain of statements and actions of some priests situated in a specific political perspective that is not proper to their calling, a personal attitude which naturally does not involve the church, whose spiritual authority is above and beyond political parties.

In any case, I think this is a matter of problems which have been resolved.

As for the recent actions of the Archbishop of Santiago to cooperate in the dialogue between the government and sectors of the opposition, I welcome his intervention, which is so necessary for our coexistence. What is more, I admire even more his position equidistant between both sides, which expresses his jealously guarded evangelical mission, making it known that he does not belong to either sector.

[Question] Do you share the criticism that the lack of channels of political participation produce polarization of the church hierarchy? That the church has replaced and has become the voice of the political parties of the opposition?

[Answer] I think that is a grave allegation against the church hierarchy. They have a specific evangelical mission for which they have been specially trained and which has nothing to do with partisan political activity.

To think that the existence of a situation of restriction on party activity, a fully justified situation of exception, could affect the church hierarchy to the point of making it forget its mission and transform itself into a replacement organization for the suspended parties and make itself the voice of the opposition is to deny the existence in that hierarchy of all prudence and moderation, is to discredit its capacity to evaluate reality and is to fail to recognize the moral and spiritual values which inspire it and which could never induce it to take such action.

[Question] How do you judge the role of the "Chicago boys" in the government? You have known them at close hand. What virtues and defects do you see in them?

[Answer] What we have here are specialists and technicians with a high degree of professional training, who are honest, disinterested and devoted to solid principles, and who have directed a definite economic strategy that gave the country important results. It could be that their devotion to principles or their mistakes in evaluation have induced them not to change the instruments of political economy and to keep on doing what they have been doing. I think they have loyally served the country and the government.

[Question] Do you still have confidence in the economic model they have implemented for so many years?

[Answer] I think it is necessary to distinguish between economic strategy governed by and made up of the basic and invariable principles, and the instruments or means of their application.

I have full confidence in the economic strategy applied and I think that the free economy system is the only one capable of lifting the country out of underdevelopment, generating sufficient wealth and routing poverty. The state's subsidiary role in the economy, the opening to foreign trade, the recognition of the marketplace as the allocator of resources, free enterprise and private property, among others, are the fundamental elements needed to assure Chileans of their access to greater economic and social well-being.

[Questions] Top figures in the so-called Trade Union Movement have also cooperated with the government. What do you think of this movement and its positions?

[Answers] These are people with a high degree of interest in public affairs, who are well motivated and have solid moral principles and who have performed an important task of benefit of the country, particularly in the development of the institutional process. When some of them were called upon to cooperate with the government, they did so in a loyal and patriotic manner.

[Question] During these 10 years, you have mentioned the concept of democracy and have added some definitions of the kind of democracy the government has wanted to deliver. How does Your Excellency define democracy?

[Answer] Democracy is a form of government which is characterized basically by the direct participation of the people in the government itself.

I think that it is not enough to have universal suffrage, a parliament or political parties for a democracy to exist. It is also necessary for that democratic system to be sufficiently committed to the values for whose existence democracy must be an effective medium. I am referring to freedom, equality of opportunity, economic and social development, the security of persons and social justice, among other things. Otherwise democracy will be a mere formality, that is, a facade which in reality does not satisfy the community's aspirations.

Our challenge is to endow our democracy with the political, juridical and economic mechanisms needed to be effective, to respond to our status as a modern and free country. Our democracy must bring all sectors into the great national tasks, must promote the essential unity of the nation and must encourage development to prevent social alienation, which is the cause of backwardness and resentment.

[Question] During these 10 years you have had harsh words for politicians. Do you think they have learned anything in these 10 years? Have you observed acknowledgement of their past mistakes?

[Answer] The country is living in a new reality and has an institutionality which requires renewed political habits. No one questions the fact that demagoguery, the exacerbation of party interests, the preeminence of political factors over other considerations, the absence of records and public accountability in the parties, the efforts to orchestrate other social organizations and the categorical and total rejection of the opponent's positions have affected the country's political life to the point of making it almost sterile or at least not very representative of the various sectors of the population. I think that above and beyond passions and revanchism all the political sectors in which there is a real desire to move forward toward full democracy must agree on the need for political activity to take place with responsibility, high-mindedness and preferential consideration for the national interest.

[Question] At a difficult moment such as the one we are living through today, what was your rationale for the selection of a politician as the chief of cabinet?

[Answer] The Minister of Interior is an outstanding figure in national life, who is respected by all the sectors and who fully shares the government's thinking about the role that should be played by the political parties and the norms that should regulate their functioning in carrying out the study of the laws provided by the constitution and in moving forward in the political system it establishes. The personality of the present Minister of Interior combines the qualities now needed for implementation of the corresponding political plan.

[Question] Do you think it possible to distinguish between the democratic and Marxist opposition for the purpose of reaching a consensus?

[Answer] The government's purpose, as has been stated on other occasions, is to establish an open and frank dialogue with all the democratic sectors. The Marxists are totalitarians; and therefore, the government is excluding them from the talks.

[Question] Do you think an understanding with the democratic opposition is possible? On what basis?

[Answer] I think an understanding is possible. I think that after a prior phase designed to sort out differences that agreement of necessity will be produced which will permit us to proceed in an even more resolute fashion toward democratic institutionality. It will be necessary for those who still persist in disavowing it to recognize the validity of the constitution and the need for acting within the framework it establishes.

[Question] During this new phase that is beginning, how much weight will the protests have which were called by the opposition at the time the decision was made to initiate this process?

[Answer] At this time, we are not initiating any process; we are following the institutional road we have outlined, step by step. We are being guided by the voice of the vast majority which approved the constitution, not by the noise of the minority which is inciting protests in its zeal to satisfy its petty interests.

[Question] The opposition has called a fifth protest for this Thursday. What message would you give to those who are going to protest and to those who are not? What would you request of them?

[Answer] I am going to answer the same way I answered the other day: this is not my problem. This is the problem of those who are going to protest and of those who are inciting the protests.

[Question] What is your opinion of the refusal of one sector of the opposition to attend a rally which they requested, if they are authorized to hold one?

[Answer] That attitude demonstrates that the unity of the opposition is more apparent than real, since at the first opportunity a split has been produced. It also demonstrates the inconsistency of the requests of the leaders of the opposition who have tried to drag the people into protests and rallies and are now acting like the popular "Capitan Araya."

[Question] Do you feel that the doubts expressed by some persons to the effect that this new phase of opening could be "taking a step backwards" at some time are well-founded? Why?

[Answer] I think that with those apprehensions what they are seeking is to create uncertainty and distrust. The government has been characterized by its decisiveness and its will to move forward in the face of any challenge. The political program, naturally, is a challenge. The decision has been made to implement it and that is what will be done.

Now, you must understand that full democracy is not only the government's responsibility. Those of the opposition who claim to be democrats also have to play their part in this challenge; therefore, we have created the possibilities for dialogue and real participation which are necessary. In the face of this decision by the government, it is proper for those sectors to adopt a proper attitude, in compliance with the constitutional mandate.

[Question] What does loyalty mean to you? In line with your definition, whom does Your Excellency consider to have been your most loyal colleagues and supporters?

[Answer] I understand loyalty to mean fidelity to the essential values and principles which motivate a program. Naturally the most loyal colleagues are that vast majority of Chileans who during these years have not spared any effort to dedicate themselves entirely to the cause initiated on 11 September 1973. Those who have placed the country's interests before their own and have fought without concern about unjust criticism are also our most loyal supporters.

(He added later: I understand loyalty to mean upward and downward. Being loyal in all respects. Never deceiving anyone or trying to falsify the facts or attempting to find answers or solutions to matters which have none. Putting a good face on things is not loyalty. Loyalty consists in always telling the truth, forthrightly, purely and without circumlocutions.)

[Question] What do you consider the role of the press to have been in these 10 years? Do you think it has been honest with the government?

[Answer] In general, the press has been truthful and honest. The role it has played in these 10 years has been extraordinary as it carried out its important responsibility of reporting objectively.

[Question] What would you like the country's position to be in 10 years?

[Answer] I would like to see it with the objectives we have set for ourselves during these years completely attained.

[Question] Mr President, what would you most like at this moment?

[Answer] My wish would be the country's unity. A union of all Chileans, although I know that there is a percentage that will never join with us. But I should like to have national unity and to have everyone fight for the country, for Chile.

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## CTC DRAFT ON ECONOMIC PROBLEMS, WORKING CONDITIONS

Havana TRABAJADORES in Spanish 16, 19, 22, 25 Aug 83

[Draft Theses for 15th CTC Congress]

[16 Aug 83 pp 4, 5]

[Text] Introduction

In fulfillment of the mandate established in its statutes, the CTC [Central Organization of Cuban Trade Unions] will hold its 15th Congress from 20 February to 24 February 1984.

This great meeting of unionized Cuban workers will take place in a year with two important commemorations: the 45th anniversary of the founding of the CTC, an historic event that sums up the long and unselfish struggle of the working class for its unity; and the 26th year of the victorious revolution. On that glorious dawn in January, the revolution ended the domination of native and foreign exploiters forever and gave the power to the working class, the peasants and other workers.

Since then, the workers and their union movement have taken on new and important tasks and responsibilities. With the people and led by the party and Fidel, they have been and are the true protagonists in the long, tenacious, heroic and fruitful struggle to build the first socialist society in America.

Aware of those responsibilities and duties not only to our people but also to the other peoples of the world, particularly in our America, and as just and fervent homage to all those who preceded us in the fight for our complete redemption, we want the 15th CTC Congress to be a firm trench where our irreversible decision to continue fighting and to conquer any obstacle to the rapid advance of the revolution is reaffirmed.

We want the 15th CTC Congress to discuss--with the calmness, wisdom, courage, tenacity and determination that characterize the workers--the great tasks that we have before us for the economic and social development of the country, keeping in mind the difficult times that the world faces today.

We want the 15th CTC Congress to deliberate and reach just conclusions on everything we can and should do to fulfill the production plans with the

required quality, increase productivity, improve all the services, increase conservation of raw materials, materials, fuel, energy and lubricants as much as possible, reduce costs, make our enterprises profitable and be more efficient.

We want the 15th CTC Congress to contribute with its decisions to the momentum of activities involved in the recovery and production of spare parts, pass measures in support of the policy to reduce imports, especially from the capitalist area, and energetically support the efforts of the country to increase the production of exportable goods.

We want the 15th CTC Congress to speak out strongly for stronger labor discipline, respect for the rights of the workers guaranteed by the labor and social legislation of the revolution and compliance with the measures concerning work safety and hygiene.

We want the 15th CTC Congress to make decisions that contribute to the continued advance of the technical and professional training of the workers and the victorious completion of the battle for ninth grade which are indispensable requirements for our development. It must plan recommendations and initiatives that encourage and expand cultural, sports and recreational activities for the workers and their families and outline ways to strengthen ideological work to form and develop economic awareness in the workers and to make them better prepared for the diversionary and slanderous campaigns of our class enemies.

We want the 15th CTC Congress to reaffirm the importance of volunteer work as a contribution to the economy and a forger of communist awareness.

We want the 15th CTC Congress to point out the unshakable internationalist feelings of the working class and all the workers and the people which are expressed in their militant solidarity with the workers of the socialist community and all the world, particularly with those in Latin America, the Caribbean, Africa and Asia who fight for a better future.

Finally, we want the 15th CTC Congress to hoist the banners of peace higher than ever facing the criminal and adventuresome warmongering policy of Yankee imperialism and, at the same time, reiterate the irrevocable decision of our people to fight to the last man and woman if the Yankee aggressor tries to desecrate the sacred soil of the fatherland.

That same spirit and that same determination will also be present at the analysis and discussion of these theses by the workers in every labor center of the country. They will meet in assemblies held under the broadest union democracy where everyone gives opinions, criticizes and suggests the best ways to enrich them, aware that everything we do better will have repercussions to benefit everyone individually and society as a whole.

When analyzing and debating the theses, contributing their valuable opinions and suggestions and working to carry out the agreements of the congress, the workers will be giving one more proof of their maturity as a governing class.